

# UNITED NUCLEAR CORPORATION

1720 Louisiana N.E.  
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Albuquerque, New Mexico 87110  
Telephone 505/262-1800  
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Dr. Kathleen Garland, Director  
Mining and Minerals Division  
Energy, Minerals, and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

RECEIVED

JUN 4 1997

MINING & MINERALS DIV.

June 3, 1997

**Re: *Application for a Variance from Prior Reclamation Inspection Date for Anne Lee, John Bill, and Sandstone Mines***

Dear Dr. Garland:

This letter constitutes an application by United Nuclear Corporation for a variance from the September 30, 1995 date for a determination by the Director regarding prior reclamation activities for three mines as discussed below. This application is made pursuant to 19 NMAC 1.2 § 1002 and the letter dated September 29, 1995. Please notify us upon a determination that this application is complete and United Nuclear will then provide public notice pursuant to 19 NMAC 10.2 § 903.

1. Applicant's name and address:

United Nuclear Corporation  
1720 Louisiana N.E.  
Suite 400  
Albuquerque, New Mexico 87110

2. Application date:

June 3, 1997

3. Mining Operation:

Anne Lee Mine  
John Bill Mine  
Sandstone Mine

4. Location of Mine:

Anne Lee Mine - Portions of T14N, R9W, Section 28  
McKinley County, New Mexico

John Bill Mine & Sandstone Mine - Portions of T14N, R9W, Section 34  
McKinley County, New Mexico

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5. Section From Which Variance Is Sought

19 NMAC 10.2 § 510

6. Extent of Variance

United Nuclear Corporation requests that the determination date be extended to September, 1998.

7. Evidence of Economic Burden on Applicant

In a letter dated September 29, 1995 MMD informed United Nuclear of its inspection findings that the reclamation measures taken at these mines did not satisfy the requirements of the New Mexico Mining Act and the substantive requirements for reclamation pursuant to the Mining Act Rules. MMD further informed United Nuclear that because United Nuclear has completed most reclamation measures the it could apply for a variance from the Rules.

Unless this application for variance is granted, the applicant could be required to apply for a permit and prepare and submit a closeout plan for reclamation of these mines. The applicant has no desire to permit these mines as the applicant has no intent to mine them in the future. Permitting these mines would result in an significant economic burden due to the cost of preparing and submitting the permit application, closeout plan, annual fees, and the cost of obtaining and maintaining financial assurance. These costs ar undue, since the reclamation of the surface areas of the mine have already been completed, largely to the satisfaction of MMD, except that for confirmation of successful revegetation of the reclaimed areas. The applicant expects that a simple inspection can satisfy MMD of successful revegetation and site stabilization such that the mines can be released from any further requirements of the Mining Act at minimal cost to the applicant and the agency. Additional information is contained in MMD's inspection reports dated September 18, 1995 which are incorporated herein by reference.

8. Granting a Variance Will Not Result in a Significant Threat to Human, Health, Safety, or the Environment.

As confirmed in MMD's inspection report for the three mines, the reclamation work at the mines was completed, except for very minor matters, such as covering concrete slabs with soil, before the inspection in July 1995. The inspection report identified no conditions that would pose a significant threat to human health or safety or the environment. Additional information is contained in MMD's inspection reports dated September 18, 1995 which are incorporated herein by reference.

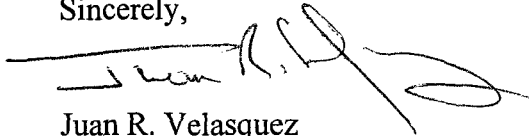
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9. Fee For a Variance

Enclosed is check in the amount of \$500 for the variance pursuant to 19 NMAC 10.2 § 201.K. Because of the close proximity of the surface disturbance (within two miles on contiguous property) and common applicant an surface ownership, United Nuclear requests a single variance covering all three mines.

In submitting this variance application, United Nuclear maintains its reservations of rights and all defenses stated in its request for inspection for prior reclamation, its Notice of Appeal to the Mining Commission regarding MMD's prior reclamation determinations, and all other correspondence and communications with MMD. In particular, United Nuclear reiterates the special circumstances regarding the disturbances at the Anne Lee Mine resulting from the Department of Energy's activities. If you have any questions regarding this application, please feel free to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", with a long horizontal line extending to the left and a large loop at the end.

Juan R. Velasquez

cc: Ed Morales  
Paul X. McLain

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bcc: Dalva Moellenberg - Gallagher & Kennedy

Steve Lauer - Comeau, Maldegan, Templeman & Indall